



Allied Health • Audiology and Hearing Aids

July 2006 • Bulletin 369

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Stop Fraud Flyer

Medi-Cal Training Seminars

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Hearing Aid Reimbursement Clarification

The California Department of Health Services is clarifying policy regarding monaural, binaural and Early and Periodic Screening, Diagnosis and Treatment Supplemental Service (EPSDT SS) hearing aid codes. To ensure recipient eligibility, the date of service is the date the hearing aid is ordered. Effective retroactively for dates of service on or after September 22, 2003, the following policies are current for hearing aid providers:

Monaural Hearing Aids

Monaural hearing aids are billed with HCPCS codes V5030 – V5080 for analog types and V5298 for digital or programmable types. A *Treatment Authorization Request* (TAR), California Children's Services (CCS) Service Authorization Request (SAR) or CCS Legacy authorization is required for all claims.

Claims billed for monaural hearing aids must include the following in the *Reserved For Local Use* field (Box 19) or on an attachment to the claim:

- Manufacturer's name
- Model or serial number
- Wholesale cost (Wholesale cost is defined as the "unit price" or the "single" unit price as identified in the manufacturer's wholesale catalog, not including rebates, discounts, taxes or any other factors.)

Digital or programmable hearing aids must be billed with code V5298 and include a copy of the invoice.

Monaural hearing aid claims are paid the least of the following:

- Wholesale cost plus \$256.37, or
- \$883.80, or
- The billed amount

Binaural Hearing Aids

Binaural hearing aids are billed with HCPCS codes V5120 – V5150 for analog types and V5298 for digital or programmable types. A TAR, CCS SAR or Legacy authorization is required for all claims.

Claims billed for binaural hearing aids must include the following in the *Reserved For Local Use* field (Box 19) or on an attachment to the claim:

- Manufacturer's name
- Model or serial number of each aid
- Wholesale cost (Wholesale cost is defined as the "unit price" or the "single" unit price as identified in the manufacturer's wholesale catalog, not including rebates, discounts, taxes or any other factors.)

*Please see **Hearing Aid Reimbursement**, page 2*

Hearing Aid Reimbursement *(continued)*

Digital or programmable hearing aids must be billed with code V5298 and for a quantity of one (one monaural unit or one binaural unit). A copy of the invoice, justifying the reimbursement for two units (one for each ear), must be included with the claim.

Binaural hearing aids claims are paid the least of the following:

- Wholesale cost plus \$326.08, or
- \$1,480.32, or
- The billed amount

Note: When billing code V5298, if the invoice justifies the purchase of two digital hearing aids (binaural), then providers are reimbursed for both hearing aids plus \$326.08 (one time only).

Loss and Damage Claims

Providers billing for loss and damage replacement must use code V5298 (hearing aid, not otherwise classified), include a copy of the invoice and state “replacement cost” in the *Reserved For Local Use* field (Box 19) or on an attachment to the claim.

EPSDT SS Hearing Aid Claims

Claims billed for hearing aids through EPSDT SS must include a copy of the manufacturer’s invoice minus any discounts. A TAR, CCS SAR or Legacy authorization is required for CCS authorized and EPSDT SS hearing aids.

Hearing aid claims for Z5946 billed through EPSDT SS or through CCS are paid at the manufacturer’s invoice plus 60 percent.

CCS uses HCPCS code Z5946 to authorize requests for non-conventional hearing aids for children who are CCS or Medi-Cal recipients. When billing these claims, providers must attach a copy of the manufacturer invoice. When billing for binaural hearing aids using code Z5946, providers should bill for a quantity of one (one binaural unit), but the invoice should justify reimbursement for two units (one for each ear).

Sales Tax

State statute requires Medi-Cal to base payment for sales tax on hearing aids on the tax amount actually paid by the provider. Providers must list the sales tax in the *Reserved For Local Use* field (Box 19) of the claim or on an attachment.

Providers should show the total amount billed (including sales tax) on the claim line, but also itemize the cost of the hearing aid and the applicable amount of sales tax in the *Reserved For Local Use* field (Box 19) of the claim. They then combine the item’s purchase or rental price with any applicable sales tax and bill on the same line. Hearing aid supplies that are separate from the hearing aid itself should be billed with code V5267.

The updated information is reflected on manual replacement pages [hear aid bill 1 thru 6 \(Part 2\)](#).

2006 CPT-4/HCPCS Updates: Implementation November 1, 2006

The 2006 updates to the *Current Procedural Terminology – 4th Edition* (CPT-4) and Healthcare Common Procedure Coding System (HCPCS) National Level II codes will be effective for Medi-Cal for dates of service on or after November 1, 2006. The affected codes are listed below. Only those codes representing current or future Medi-Cal benefits are included. Please refer to the 2006 CPT-4 and HCPCS Level II code books for complete descriptions of these codes. Specific policy, billing information and manual replacement pages reflecting these changes will be released in a future *Medi-Cal Update*.

HCPCS Level II Code Additions

Durable Medical Equipment and Supplies

A4604, A9281, E0170, E0171, E0641, E0642, E0705, E0911, E0912, E1392, E2207 – E2215, E2218 – E2226, E2371, E2372, K0734 – K0737

Please see 2006 HCPCS Updates, page 3

2006 HCPCS Updates (continued)

Orthotic Procedures and Devices

L0491, L0492, L0621 – L0640, L0859, L2034, L2387, L3671 – L3673, L3702, L3763 – L3766, L3905, L3913, L3919, L3921, L3933, L3935, L3961, L3967, L3971, L3973, L3975 – L3978

Prosthetic Procedures and Appliances

A6513, A6542, A6544, L5703, L5858, L5971, L6621, L6677, L6883 – L6885, L7400 – L7405

HCPCS Level II Codes with Description Changes

Durable Medical Equipment and Supplies

A4632, A6550, A7032, A7033, A8033, E0240, E0463, E0464, E0637, E0638, E0935, E0971, E1038, E1039, K0669

Orthotic Procedures and Devices

L1832, L1843 – L1846, L2036 – L2038, L2405, L3215 – L3217, L3219, L3221, L3222, L3230, L3906, L3923, L8010

HCPCS Level II Code Deletions

Durable Medical Equipment

A6551, E0972, E1019, E1021, E1025 – E1027, K0064, K0066 – K0068, K0074 – K0076, K0078, K0102, K0104, K0106, K0452

Orthotic Procedures and Devices

K0619, K0630 – K0649, L0860, L1750, L2039, L3963

Prosthetic Procedures and Appliances

L8210, L8230

CCS Service Code Groupings (SCG) Update

Retroactive for dates of service on or after July 1, 2004, a number of codes are added to the California Children's Services (CCS) Service Code Groupings (SCGs) 01, 02, 03 and 07.

In addition, code 99359 is end-dated for dates of service on or after July 1, 2006.

Reminder: SCG 02 includes all the codes in SCG 01; SCG 03 includes all the codes in SCG 01 and SCG 02; and SCG 07 includes all the codes in SCG 01. These same "rules" apply to end-dated codes.

The updated information is reflected on manual replacement pages cal child ser 5, 12 and 15 (Part 2).

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Remove and replace: *Contents for Audiology and Hearing Aids Billing and Policy iii/iv **
cal child ser 5/6, 11/12, 15/16

Remove: hear aid 1 thru 7

Insert: hear aid 1/2 *

Insert after the
Hearing Aids section: hear aid bill 1 thru 6 (*new*)

Remove and replace: medi non hcp 1/2

* Pages updated due to ongoing provider manual revisions.